



INSIGHTS

107th Congress

July 24, 2001

*Also available on the FEMP Home Page at
<http://www.eren.doe.gov/femp/resources/insights.html>.*

[Weekly Summary](#)

[New Legislation](#)

[Committee Activity](#)

[Administration](#)
[Initiatives](#)

[House](#) [Senate](#)

[FY 2002 Appropriations Chart](#)

[Hearings Schedule](#)

INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

HOUSE

FY 2002 Appropriations

The House may begin debate this week on the bill that provides funding for the Departments of Veterans' Affairs and Housing and Urban Development and the Environmental Protection Agency, along with other independent agencies. The unnumbered bill cleared the Committee on Appropriations last week. (*See summary under "Committee Activity"*)

Authorization and Oversight – The following hearings have been scheduled:

- Measures to help create a more productive environment for use of renewable fuels
- *H.R. 1985 – Western Water Enhancement Security Act* (includes provision on water use efficiency)
- *H.R. 2407 – Federal Photovoltaic Utilization Act* (pv systems in Federal facilities)

SENATE

FY 2002 Appropriations – The full Senate may begin or continue consideration of the following bills:

- *S. 1191 – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies*
- *S. 1215 – Commerce, Justice, State, and the Judiciary*
- *S. 1216 – Veterans' Affairs, Housing and Urban Development, and Independent Agencies*

Authorization and Oversight – Committee hearings will address the following topics:

- Climate change
- A bill to elevate to cabinet-level the Environmental Protection Agency
- Electricity restructuring (two hearings)

Refer to the "Hearings Schedule" for the date, time, and location of Congressional activities.

[Back to Table of Contents](#)

II. COMMITTEE ACTIVITY

HOUSE

Comments or Action Items

Comprehensive Energy Legislation In separate sessions last week, the Committee on Energy and Commerce completed and marked up the unnumbered bill, *H.R. ___ - Energy Advancement and Conservation Act of 2001*. The bill, which now contains six titles, authorizes a range of energy efficiency and renewable energy programs (refer to *INSIGHTS: 107th Congress* for July 16, 2001). Related legislation that was marked up at the full committee level last week includes *H.R. 2460 – Comprehensive Energy Research and Technology Act of 2001* (Committee on Science), also reported in the July 16 issue of *INSIGHTS*, and *H.R. 2511 – Energy Tax Policy Act of 2001*. *H.R. 2511* provides over \$30 billion in tax incentives through 2011 to encourage energy and water efficiency and renewable energy and includes the following provisions of interest:

- Extends the existing tax credit for wind energy
- Extends existing closed-loop biomass tax credit until 2007
- Provides a solar or photovoltaic energy tax credit of \$2,000 or 15 percent
- Provides an energy-efficient home improvement tax credit of \$2,000
- Provides a clothes washer and refrigerator manufacturer tax credit of \$50 per appliance
- Provides a fuel cell motor vehicle tax credit for purchases of up to \$40,000 for businesses or individuals
- Provides a \$2.24 per square foot deduction for energy-efficient commercial building property expenditures that result in total energy reduction and power costs by at least 50 percent
- Provides a \$30 deduction per device for energy management devices with three-year cost recoveries
- Provides a 10 percent credit for combined heat and power property purchases

A fourth bill that has cleared the Committee on Resources, *H.R. 2436 – Energy Security Act*, includes provisions for drilling for oil and natural gas. Initially, the House Republican leadership planned to roll all four bills into one before presenting it to the full House for consideration. However, that plan may change, and the decision on how to approach comprehensive energy legislation in the House is expected to be announced early next week.

Republicans Recommend Repeal CAFE Standards Restrictions In a July 16 letter to the House Committee on Appropriations, several senior Republican members of the Committee on Energy and

Commerce recommended that the FY 2001 appropriations language prohibiting an increase in Corporate Average Fuel Economy Standards (CAFE) be repealed in light of the Committee on Energy and Commerce's passage of *H.R. ___ - Energy Advancement and Conservation Act of 2001* which was approved by the committee last week. Addressed to Bill Young, the letter was signed by Committee on Energy and Commerce Chair Billy Tauzin (R/LA); Subcommittee on Energy and Air Quality Chairman, Joe Barton (R/TX); and committee members Greg Ganske (R/IA), Charlie Norwood (R/GA), Ed Bryant (R/TN), Mary Bono (R/CA), and Greg Walden (R/OR)

FY 2002 Appropriations for Veterans Affairs, Housing and Urban Development, and Independent Agencies The bill, which is not yet in print, was approved by the full committee on July 17. The bill includes the following provisions of interest:

- Environmental Protection Agency, Buildings and Facility Account - \$25 million
- Veterans' Administration, Major and Minor Construction Accounts - \$361 million

SENATE

Comments or Action Items

Renewable Energy On July 18 and 19, the Committee on Energy and Natural Resources continued its series of hearings on comprehensive energy legislation introduced earlier this year by Committee Chair Jeff Bingaman (D/NM) and Ranking Minority Member Frank Murkowski (R/AK). **Testimony included remarks by DOE's new Assistant Secretary for Energy Efficiency and Renewable Energy, David Garman. Mr. Garman was engaged in a discussion about transmission of renewable energy resources. He told the committee, "By removing barriers related to interconnection standards, net metering, purchases of renewable energy, and combined heat and power, we can increase the efficiency of our electric system by making distributed energy resources more practical in the marketplace."** Others testifying before the committee during the two-day session included DOE's new Deputy Secretary, Francis Blake, who told the committee that the Administration favors research "into advanced technologies and their underlying foundation of basic research" and that the agency will make use of performance metrics to evaluate the effectiveness of R&D expenditures. Testimony was also received from representatives of the Federal Energy Regulatory Commissions and the solar and wind industries.

S. 1216 - FY 2002 Appropriations for Veterans Affairs, Housing and Urban Development, and Independent Agencies The Committee on Appropriations approved this bill on July 19; the Senate is expected to take up *S. 1216* later this week. The bill includes the following provisions of interest:

- Veterans' Administration, Major Construction Projects - \$155.180 million
- Veterans' Administration, Minor Construction Projects - \$178.900 million
- Environmental Protection Agency, Buildings and Facilities Account - \$25.318 million

S. 1215 - FY 2002 Appropriations for Commerce, Justice, State, and the Judiciary – The bill cleared the full committee on July 19 and is expected to reach the floor of the Senate by the end of the week. Provisions of interest include the following:

- U.S. Marshals Service, Construction - \$18.008 million for construction, security, and furniture at existing courthouses
- Federal Bureau of Investigation, Construction - \$44.074 million for the new Engineering Research Facility Annex and to refurbish the existing facility
- Immigration and Naturalization Service Construction- \$205.015 million for new construction projects
- International Boundary and Water Commission Construction - \$24.154 million for facility construction and other non-facility construction projects (e.g., canals, waterways)

Comprehensive Energy Legislation Initially, the Committee on Energy and Natural Resources had planned to begin marking up comprehensive energy legislation this week. However, Chairman Jeff Bingaman (D/NM) decided to conduct hearings on global climate change and utility restructuring before marking up a bill (refer to “Hearing Schedule”). The committee is expected to begin marking up an energy bill next week that blends provisions common to his bill, S. 597, and Ranking Member Frank Murkowski’s bill, S. 388; both bills were introduced earlier this year.

[Back to Table of Contents](#)

CONFERENCE REPORTS

FY 2001 Emergency Supplemental Last week, the House and Senate conferees agreed on the \$6.5 billion FY 2001 Emergency Supplemental bill, which provides funding for the Department of Defense’s energy programs (\$735 million to cover utility bills and \$47 million for energy conservation programs for DOE facilities located in California). The conference report was passed by the House and Senate on July 20 and sent to the President for his signature. He is expected to sign the bill.

Status of FY 2002 Appropriations Bills

(In Billions)

HOUSE

SENATE

<i>Jurisdiction/ FY 2002 Budget Request</i>	<i>302(b) Allocations/ Approved Funding Level</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf.</i>	<i>302(b) Allocations/ Approved Funding Level</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf.</i>
Agriculture \$ 15.409	\$ 15.519 \$ 15.669	<i>H.R.</i> 2330	June 13	July 13		\$ 16.092 \$ 16.4	<i>S.</i> 1191	July 17	Week of July 23	
Commerce \$ 37.944	\$ 38.541 \$ 38.5	<i>H.R.</i> 2500	July 13	July 19		\$ 38.760 \$ 41.49	<i>S.</i> 1215	July 19	Week of July 23	
Defense \$ 300.962	\$ 300.292					\$ 298.568				
Energy and Water Development \$ 22.517	\$ 23.704 \$ 23.7	<i>H.R.</i> 2311	June 25	June 28		\$ 25.129 \$ 25.1	<i>S.</i> 1171	July 12	July 19	
Interior \$ 18,092	\$ 18.941 \$ 18.9	<i>H.R.</i> 2217	June 13	June 21		\$ 18.527 \$ 18.5	<i>H.R.</i> 2217	June 28	July 12	
Labor / HHS \$ 115.682	\$ 119.758					\$ 119.000				
Military Construction \$ 9.650	\$ 10.155					\$ 9.649				
Transportation \$ 14.891	\$ 14.893 \$ 14.9	<i>H.R.</i> 2299	June 20	June 26		\$ 15,579	<i>S.</i> 1178	July 12	On- going	
Treasury \$ 16.488	\$ 16.880 \$ 17,0		July 17			\$ 16.972				
VA/HUD \$ 83.683	\$ 84.159		July 17	Week of July 23		\$ 84.053 \$ 84.05	<i>S.</i> 1216	July 19	Week of July 23	
Total 302(b) Allocations/ FY 2002 Budget Request \$ 658.792	\$ 661.300					\$ 661.300				

[Back to Table of Contents](#)

III. NEW LEGISLATION

HOUSE

Number	Short title	Date	Sponsor	Status
H.R. 2511	<i>Energy Tax Policy Act of 2001</i>	July 17	Jim McCrery (R/LA) <i>Committee on Ways and Means</i>	Referred to Committee on Ways and Means; Passed Committee on 7/18/01
	Key Provisions:	Provides incentives to individuals and businesses to encourage energy conservation, energy reliability, and energy production. Provides 15 percent tax credit (up to \$2000) to individuals who purchase PV or solar water heating property. Expands credit for electricity produced from certain renewable resources (wind, closed and open-loop biomass, and landfill gas) for five years. Provides 20 percent individual tax credit (up to \$2000) for the purchase of energy efficient improvements on existing homes; provides up to \$2000 credit to contractors for construction of new housing that is 30 percent more efficient than a national model home. Allows \$30 deduction for the installation of energy management devices; provides three-year cost recovery period for the devices.		
H.R. 2516	<i>Air Conditioner Energy Efficiency Leadership Act</i>	July 17	Thomas Barrett (D/WI) <i>Committee on Energy and Commerce; Subcommittee on Energy and Air Quality</i>	Referred to Committee on Government Reform and Committee on Energy and Commerce
	Key Provisions:	Central air conditioners and heat pumps acquired by Federal agencies must meet or exceed certain efficiency standards.		
H.R. 2518	<i>Clean Green School Bus Act of 2001</i>	July 17	Sherwood Boehlert (R/NY) <i>Chair, Committee on Science Committee on Transportation and Infrastructure</i>	Referred to the Committee on Energy and Commerce and Committee on Science
	Key Provisions:	Establishes a pilot program within DOE to provide grants for increasing the use of alternative fuel school buses. Grants may be used for the purchase of up to ten buses to expand a bus fleet in a low-income area or for the replacement of older school buses. Establishes a cost-shared fuel cell bus development and demonstration program within DOE to work with private sector fuel developers to develop and demonstrate fuel cell-powered school buses.		

SENATE

No new legislation of interest.

[Back to Table of Contents](#)

IV. ADMINISTRATION INITIATIVES

California Power Grid Secretary of Energy Spencer Abraham recently publicized the Administration's proposal to dramatically develop and expand California's power grid by enlisting private support for Path 15. The Administration believes that this action is a "critical component" to solving California's energy problem. The plan is designed to help relieve the bottleneck in transporting energy between generators in Southern California and their delivery targets in San Francisco and points north. Approximately 12 private companies responded to an open solicitation requesting project investors

Administration Expresses Support for DER Last week, Secretary Abraham spoke to the San Francisco Bay Area Council and discussed President Bush's plan to increase funding for research and development of distributed generation, the importance of having the "six nines" of power (also known as 99.9999% reliability), investing in technologies that will allow energy suppliers to send more power over smaller lines, and the need to shift the solution from "government councils... to the efforts of the private sector where innovation nourishes and risk takers push the envelope." He also addressed the "myth" that the energy crisis can be solved solely with energy conservation or energy efficiency. Secretary Abraham noted that there is a need for these activities and that the energy industry must stimulate the "movement of mature technologies - like solar, wind, and geothermal energy - to the market, while we concentrate more resources on promising technologies that represent the next wave."

[Back to Table of Contents](#)

V. HEARINGS SCHEDULE

HOUSE – APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
July 23 – Subcommittee on Defense (NEW)	Jerry Lewis (R/CA)	Hearing – Overview of the FY 2002 Budget for the Navy and Marine Corps	Admiral Vernon Clark, Chief of Naval Operations; General James Jones, Marine Corps; Gordon England, Secretary of Navy	1:30 p.m. Room 2362 Rayburn Office Building

HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
July 24 – Subcommittee on Rural Enterprises, Agriculture and Technology (Committee on Small	Frank LoBiondo (R/NJ)	Hearing – Importance of renewable fuels in solving the nation's energy problems and measures to help create a more productive	Representatives of the Renewable Fuels Association, Geothermal Heat Pump Consortium, American	10:00 a.m. Room 2360 Rayburn Office Building

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
Business) (NEW)		environment for the use of more renewable fuels.	Bioenergy Association, American Soybean Association, Pennsylvania Farm Bureau	
July 26 – Subcommittee on water and Power (Committee on Resources) (NEW)	Ken Calvert (R/CA)	Hearing – <i>H.R. 1985 Western Water Enhancement Security Act</i> (includes a provision to increase water use efficiency in California among other water-related provisions)	TBA	2:00 p.m. Room 1324 Longworth Office Building
August 1 – Subcommittee on Economic Development, Public Buildings, and Emergency Management (Committee on Transportation and Infrastructure) (NEW)	Steven LaTourette (R/OH)	Hearing – <i>H.R. 2407 – Federal Photovoltaic Utilization Act</i> (authorizes \$210 million in FY 2002 – FY 2006 for a pv energy commercialization program and \$52.7 million for a pv systems evaluation program in Federal facilities between FY 2002 and FY 2006 in Federal facilities)	TBA	2:00 p.m. Room 2253 Rayburn Office Building

HOUSE FLOOR ACTIVITY

Date	Action Item	Time/Location
Week of July 23 (NEW)	FY 2002 Appropriations for Veterans' Affairs, Housing and Urban Development, and Independent Agencies (including Environmental Protection Agency)	Time – TBA Capitol – House Chamber

[Back to Table of Contents](#)

SENATE – APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
July 26 – Committee on Appropriations (NEW)	Robert Byrd (D/WV)	Mark Up – <i>S. ___ - FY 2002 Appropriations for Treasury, Postal Service and General Government</i>	N/A	3:00 p.m. Room S-128 Capitol

SENATE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
July 24 - Committee on Energy and Natural Resources	Jeff Bingaman (D/NM)	Hearing – Proposals related to global climate change and measures to mitigate greenhouse gas emissions	TBA	9:30 a.m. Room 106 Dirksen Office Building
July 24 – Committee on Governmental Affairs (NEW)	Joseph Lieberman (D/CT)	Hearing – <i>S. 159 – Department of Environmental Affairs Act</i>	TBA	10:00 a.m. Room 342 Dirksen Office Building
July 25 – Committee on Energy and Natural Resources (NEW)	Jeff Bingaman (D/NM)	Hearing – Examination of proposals relating to comprehensive electricity restructuring including <i>S. 388, S. 597</i> and provisions from bills introduced during the 106 th Congress	Representatives from the Administration, the Federal Energy Regulatory Commission, American Public Power Commission, Edison Electric Institute, among other groups	9:30 a.m. Room 366 Dirksen Office Building
July 26 - Committee on Energy and Natural Resources (NEW)	Jeff Bingaman (D/NM)	Hearing – Examination of proposals relating to comprehensive electricity restructuring including <i>S. 388, S. 597</i> and provisions from bills introduced during the 106 th Congress	TBA	9:45 a.m. Room 216 Dirksen Office Building

SENATE FLOOR ACTION

Date	Action Item	Time/Location
Week of July 23 (NEW)	Debate: FY 2002 Appropriations for Agriculture, Rural Development, Food and Drug Administration and Related Agencies	Time – TBA Capitol – Senate Chamber
Week of July 23 (NEW)	Debate: FY 2002 Appropriations for Commerce, Justice, State, and the Judiciary	Time – TBA Capitol – Senate Chamber
Week of July 23 (NEW)	Debate: FY 2002 Appropriations for Transportation and Related Agencies	Time – TBA Capitol – Senate Chamber
Week of July 23 (NEW)	Debate: FY 2002 Appropriations for Veterans' Affairs, Housing and Urban Development, and Independent Agencies (including Environmental Protection Agency)	Time – TBA Capitol – Senate Chamber

SENATE – CONFIRMATION

No confirmation hearings of interest have been scheduled.

[Back to Table of Contents](#)